

ABSTRACT OF THE DISCLOSURE

Methods for sustained delivery of biologically active proteins or peptides to mammals are disclosed. Specific types of immune-privileged allogeneic or xenogenic donor cells that are naturally immune privileged are genetically modified *in vitro* to express or secrete the proteins or peptides. The genetically modified donor cells are subsequently implanted into host mammals and utilized for sustained delivery of biologically active proteins or peptides *in vivo*. The donor cells so utilized are those that inherently possess immune privilege due at least partly to the expression of Fas ligand. Methods for cell isolation, purification, tissue culture expansion, cryopreservation, gene transfer, transgene and Fas ligand expression, cell implantation, and measurement of immune responses of host animals are described.